



MEMORANDUM

TO: County Council

FROM:  Michael Faden, Senior Legislative Attorney
 Jacob Sesker, Senior Legislative Analyst

SUBJECT: **Public Hearing:** Bill 36-12, Taxation – Hotel/Motel Tax – Use of Revenues

Bill 36-12, Taxation – Hotel/Motel Tax – Use of Revenues, sponsored by Councilmember Floreen, Council Vice-President Rice, Councilmember Berliner and Council President Navarro, was introduced on November 27, 2012. A Planning, Housing and Economic Development/Government Operations and Fiscal Policy Committee worksession is tentatively scheduled for January 28, 2013 at 2:00 p.m.

Bill 36-12 would increase from 3.5% to 7% the share of the revenue from the hotel tax that is designated for the Conference and Visitors Bureau each year. The FY13 operating budget for the Conference and Visitors Bureau NDA is \$666,806, which represents 3.5% of projected room rental and transient tax receipts. The CVB does have other sources of revenue, but the County room rental and occupancy tax represents about two-thirds of CVB resources.

This packet contains:

Bill 36-12

Legislative Request Report

Circle #

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Bill No. 36-12
Concerning: Taxation – Hotel/Motel Tax
– Use of Revenues
Revised: 11-20-12 Draft No. 1
Introduced: November 27, 2012
Expires: May 27, 2014
Enacted: _____
Executive: _____
Effective: July 1, 2013
Sunset Date: None
Ch. _____, Laws of Mont. Co. _____

COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

By: Councilmember Floreen, Council Vice-President Rice, Councilmember Berliner and Council President Navarro

AN ACT to:

- (1) increase the funding from the hotel/motel tax that is designated annually for the Conference and Visitors Bureau; and
- (2) generally amend the provisions governing the use of revenue from the hotel/motel tax.

By amending

Montgomery County Code
Chapter 52, Taxation
Section 52-16

Boldface	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

The County Council for Montgomery County, Maryland approves the following Act:

Sec. 1. Section 52-16 is amended as follows

52-16. Room rental and transient tax.

* * *

(j) At least [3.5] 7% of the revenue from the tax levied under this Section must be used for the Conference and Visitors Bureau, Inc., as designated by the Council in a budget resolution to promote travel to the County. The County Executive must report to the Council on the use of these funds by March 15 each year.

Sec. 2. Effective date. This Act takes effect on July 1, 2013.

Approved:

Nancy Navarro, President, County Council

Date

Approved:

Isiah Leggett, County Executive

Date

This is a correct copy of Council action.

Linda M. Lauer, Clerk of the Council

Date

LEGISLATIVE REQUEST REPORT

Bill 36-12

Taxation -- Hotel/Motel Tax -- Use of Revenues

DESCRIPTION:	Increases from 3.5% to 7% the share of the revenue from the hotel tax that is designated for the Conference and Visitors Bureau each year.
PROBLEM:	Need for more funding to County programs to attract tourism.
GOALS AND OBJECTIVES:	To increase the level of funding for County programs to attract tourism that are run by the Conference and Visitors Bureau.
COORDINATION:	Department of Economic Development, Department of <u>Finance</u>
FISCAL IMPACT:	To be requested.
ECONOMIC IMPACT:	To be requested.
EVALUATION:	To be requested.
EXPERIENCE ELSEWHERE:	To be researched.
SOURCE OF INFORMATION:	Michael Faden, Senior Legislative Attorney, 240-777-7905
APPLICATION WITHIN MUNICIPALITIES:	Hotel tax applies County-wide.
PENALTIES:	Not applicable